
OFFICE OF GOVERNOR RONNIE MUSGROVE
INTEROFFICE MEMORANDUM

TO: GOVERNOR
FROM: RILEY
SUBJECT: REP. EADS' LEGISLATION: CIGARETTE TAX
DATE: 1/24/02
CC: RENICK
KINNEY

Rep. Jay Eads stopped me yesterday and asked me to inform you that he is having legislation drafted to place an additional 25 cent sales tax on packs of cigarettes. Eads said that this additional 25 cents will generate \$70 million. His bill will call for this \$70 million to be diverted as follows:

\$21 M to UMMC
\$31 M to MDE for classroom supplies and textbooks
\$ 4 M to Veterans Affairs
\$ 2 M to the Pharmacy School at Ole Mississippi
\$12 M to the General Fund

Rep. Eads said that he has talked to the following:

- Judy Rhodes said that MDE would support the legislation.
- Speaker Ford encouraged Eads to drop the bill.
- Chairman McCoy expressed some hesitation due to the increased tax.
- Chairman Capps expressed interest in the amount of revenue generated.

Rep. Eads asked me to make you aware of the impending legislation in order for you to share any thoughts or concerns you might have on the subject with him. He is going to provide me with a copy of the draft bill as soon as he has it.

Based on this information, is there any information you want me to share with Rep. Eads?